



**Office of Community Services
Low-Income Household
Water Assistance Program
(LIHWAP)**

LIHWAP Benefit Determination and Notification



Learning Objectives

Benefit determination process, developing a benefit matrix, and establishing policies and procedures

Household priority groups and how to address their needs

Process for benefit notification

Development and notification of fair hearing procedures



Who is Eligible for LIHWAP?

Income eligibility: Total household income that does not exceed the great of either 150 percent of the Federal Poverty Line, or 60 percent of the State Median Income

Categorical eligibility: A household can be deemed eligible based on a single household member's enrollment in any of the means tested programs identified in the LIHWAP terms and conditions.



Prioritizing Service Delivery

OCS recognizes that the available grant resources may not be sufficient to fully address all the need within states, territories, and tribal areas.

Recipients may place an immediate priority on the payment of arrearages as a first stage of program implementation.



Benefit Determination

After eligibility is approved, determine the household benefit amount

Household benefit: A payment approved by the recipient or subrecipient for applicant households and made on behalf of approved households to public water systems and wastewater utility companies to address arrearages and/or make a full or partial payment of a currently due water bill

Best Practices for Benefit Policies

Recipients must establish written policies and procedures for determining the benefit amount for each household

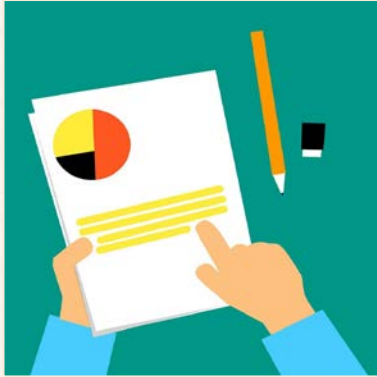
LIHWAP Policy or Operation Manual addresses both equity and efficiency by addressing all types of eligible households

Clear, equitable, and standard written procedures enable consistency and accuracy in determining benefit amounts

All applicants are entitled to make a fair hearing request. All LIHWAP recipients must make fair hearing requests available to applicants.



Key Considerations for Benefit Policies



Minimum and/or maximum benefit amount

List all allowable charges that the benefit can cover (e.g., reconnection fees, late fees, interests, lien removal fees)

Note timeframes for determining benefit amounts

Provide documentation process for the benefit calculation (build into eligibility determination software, if used)

Key Considerations for Benefit Policies

Explain procedures for notifying households of benefit determinations
(build into eligibility determination software, if used)

Outline procedures for applicants appealing benefit determination,
including amount and timeliness of eligibility determination process

Incorporate the three priority groups outlined by OCS



Household Priority Groups and Benefit Determination

LIHWAP household priority groups to consider when determining benefits:

1. Households with Disconnected Water Services
2. Households with Pending Disconnection
3. Households Seeking Help with Current Water Bills (No Past Due Balance)

Recipients do not necessarily need a detailed benefit matrix for the first two household priority groups because LIHWAP can cover the full outstanding bill for a household in order to restore water services or prevent disconnection.

However, a benefit matrix will need to be developed for the third priority group.



Households with Disconnected Water Services

Target assistance first for households whose services are already disconnected to restore service

Interventions used separately or in coordination include:

- Paying the entire amount past due and all required fees
- Paying a portion of the outstand balance and coordinating other resources to cover the account
- Paying a portion of the past due amount and negotiating reconnection of the service for 90+ days
- Negotiating with vendors to get the household on a budget payment plan

Households with Pending Disconnection

Currently have service but are about to lose it due to nonpayment

Households have a disconnection notice or an outstanding balance with a disconnection moratorium that is about to expire

The expected outcome is to avoid a disruption of service



Households Seeking Help with Current Water Bills

Households who have working service and are seeking help with current bills only

Households are not behind on their bills

Need a benefit matrix or calculation to decide how to vary the amount of assistance for each of those households



Benefit Matrix

Utilized to determine the amount of LIHWAP assistance eligible households receive and ensures program integrity

A tool (chart or point system) that outlines which LIHWAP benefit amount will be available to different households based on required factors:

- Household income
- Household size
- Household water costs/needs

Developing a Benefit Matrix

Review current benefit matrixes and policies related to LIHEAP and consider whether it is appropriate and feasible to adapt those policies for household water assistance

Some elements differ (household energy burden to be replaced with household water burden)

Some elements are transferable (household size and income)

Several ways to assign values to the factors you chose for your benefit matrix. Two common systems are the point value system and monetary value system.

Value System Definitions

Point Value System: Based on relative costs assigned to each factor: income, number of eligible household members, water cost calculation, presence of vulnerable members, etc. A certain number of points will need to be assigned to each category and factor.

Monetary Value System: Similar to the point value system, except that dollars are assigned instead of point values

Review the LIHWAP Benefit Policy and Matrix Resources FY2021 Information Memorandum for complete information and examples of these two systems



Point Value System Example

Factor	Number of Points
One amount below:	
Household Income below 30% of SMI	15 points
Household Income between 31-45% SMI	10 points
Household Income between 46-60% SMI	5 points
Plus one amount below:	
Household Water Burden that is 11+% of Total Household Income	15 points
Household Water Burden that is 5-10% of Total Household Income	10 points
Household Water Burden that is less than 5% of Total Household Income	5 points



Point Value System Example

Factor	Number of Points
Plus one amount below:	
5-8 Household Members	15 points
2-4 Household Members	10 points
1 Household Member	5 points
Add 5 points for each person above the 8 person household count	
Add 25 points for each adult person in the household that lost a job since March 13, 2020 (without cause) and who remains unemployed	

Total Points	Benefit Amount
15-29 points	\$500
20-30 points	\$750
31-45 points	\$1,000
46+ points	\$1,250



Point Value System – Example Households

Household A

Total income: 55% SMI

- 5 points

Eligible household members: 3

- 10 points

Household water burden: 10%

- 10 points

Unemployed member: 0

Total Points: 25 points

Total Benefit: \$750

Household B

Total income: 45% SMI

- 10 points

Eligible household members: 9

- 20 points

Household water burden: 13%

- 15 points

Unemployed member: 2

Total Points: 55 points

Total Benefit: \$1,250



Metric Value System Example

Factor	1 Household Member	2-4 Household Members	5+ Household Members
One amount below:			
Household Income below 100% Federal Poverty Guidelines (FPG)	\$750	\$1,000	\$1,250
Household Income between 100-124% FPG	\$500	\$750	\$1,000
Household Income between 125-150% FPG	\$250	\$500	\$750
Plus one amount below:			
Household Water Burden that is 11+% of Total Household Income	\$750	\$1,000	\$1,250
Household Water Burden that is 5-10% of Total Household Income	\$500	\$750	\$1,000
Household Water Burden that is less than 5% of Total Household Income	\$250	\$500	\$750



Metric Value System Example

Factor	1 Household Member	2-4 Household Members	5+ Household Members
Plus one amount below if the factor applies (select the amount based on the number of vulnerable members in the household):			
Additional amount if there is a vulnerable member (senior, young child, or disabled person)	\$250	\$500	\$750

Monetary Value System – Example Households

Household A

Eligible household members: 5

Total income: 115% FPG

- \$1,000

Household water burden: 7%

- \$1,000

Vulnerable members: 3

- \$500

Total Benefit: \$2,500

Household B

Eligible household members: 2

Total income: 125% FPG

- \$500

Household water burden: 12%

- \$1,000

Vulnerable members: 0

- \$0

Total Benefit: \$1,500

Developing a Benefit Matrix Considerations

Explore design of the benefit matrix to allocate benefit amounts to help with current bills

No federally-required methodology to assign values

Analyze benefit matrix policy and tool in context of total funding available for program benefits



Benefit Notification



Notify applicant of approval or denial. If approved, share the amount of benefit assistance

Notification process is identified in the LIHWAP Implementation plan

Ensure accurate and timely notification

Benefit Notification Considerations

Ensure you have accurate contact information and preferred communication methods

Explicitly state the benefit amount and how it is applied to the costumer's account

Ensure that the benefit notification includes reference to the fair hearing procedure

Maintain documentation in client case files of when the benefit notification was delivered to the client and any follow-up activities with the client



Fair Hearing Procedure

Fair hearing administrative procedures should be comparable to and may utilize existing processes, procedures, and systems currently in place for LIHEAP

Fair hearing procedure should cover:

- Households whose applications are denied or where the applicant disputes the benefit amount.
 - When and how are applicants informed of these rights
- Households whose applications are not acted on in a timely manner.
 - When and how are applicants informed of these rights

Fair Hearing Procedure Tips

Displayed digitally and physically

Reviewed with the applicant during intake

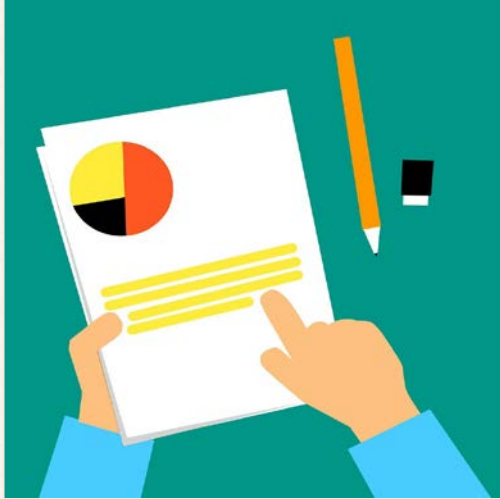
Listed on the application

Included in the benefit notification

Provides a multi-level review process (local, state)



Case File Management



Include information for which and what type of documentation must be included in a case file.

Intake workers will need to document how they have screened applicants for eligibility.

Remember that you will be dealing with your client's personally identifiable information (PII).

Wrap-Up



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